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The London conference on the Cyprus question has ended in complete disagreement.

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to be:

Further deterioration in Greek-Turkish relations, with increasingly bitter mutual recriminations and a lessening of cooperation in NATO and the Balkan alliance.

- 1. The violent Turk outbreaks on 6 September in Istanbul and Immir have already illustrated the sharp decline of Greek-Turkish friendship. Further manifestations may be expected.
- B. Renewed violence on Cyprus, where the influence of Nationalist extremists will be strengthened.

C. Intensive diplomatic campaigns by Greece, Turkey and Britain in Approved For Release 2003/03/04: CIA-RDP79R00890A000600040030-4 preparation for a bitter Cyprus debate at the session of the UN General Assembly, starting 20 September.

- III. Failure of the conference will also be a serious blow to American prestige in Greece, because the Greeks regard the US as partly responsible for the outcome.
 - A. With a reduction of US influence, the small but growing tendency towards neutralism in Greece can be expected to gain new strength.
- IV. Finally, the failure will have a direct impact on the present Greek government.
 - A. Failure of the Greeks to win any real concessions will probably weaken the Rally government still further.

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The Cappendence Refereek2003/03/640 Giachire Reference 2004/03/04 the government at present is leaderless, may appoint a provisional prime minister and call for new general elections.

1. The King believes that ailing Prime Minister Papagos might now take this opportunity to resign "as a hero who has done his best."